

RELEVANCE OF THE FACTORS OF EMOTIONAL BRANDING ON BRAND LOYALTY, BRAND RECALL AND PURCHASE DECISIONS WITH SPECIAL REFERENCE TO TITAN CO. LTD

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ABSTRACT

The objectives of the study are to understand whether the four variables of Emotional Branding i.e. the effect component in Advertisements, Sensory elements in Advertisements, the theme used in the advertisements and Occasions depicted in the advertisements have an impact on brand loyalty, brand recall and purchase decisions. Communication of value to the consumer through the advertisements should have the right balance of the four variables in order to be effective. The extent of the importance of each of the four i.e. sensory, affect, theme and occasion is explained in this study.

KEYWORDS: Emotional Branding, Loyalty, Brand Recall, Affect & Sensory

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INTRODUCTION

Emotional Branding

Emotional Branding is a powerful way to link the heart of the target market with the soul of the brand. This link is the degree to which the customers care about a particular brand beyond its rational attributes. It is more psychological than logical and more unconscious than conscious. Above all, emotional connection can make a big impact on business. Many businesses operate on the assumption that their customers make decisions consciously and rationally. Even in technical categories (or in business-to-business), this assumption is largely false. Thanks to the structure of our brains, no human being is immune to the influence of their unconscious emotions. The rule of thumb among cognitive scientists is that 95 percent of all human behavior is unconscious.

Emotional branding has been emphasized and regarded as a highly important in the branding and brand management paradigm (Gobe 2001; Zaltman 2003). Forging a relationship between consumers and brands, Emotional branding is a consumer-centric, relational, and story-driven approach (Roberts 2004). The high degree of consumer engagement is never through logical and rational arguments about tangible benefits or even appeals to symbolic benefits (Gobe 2001). Rather, these compelling consumer–brand linkages typically emerge when branding strategies use narratives and tactics that demonstrate an empathetic understanding of customers' inspirations, aspirations, and life circumstances and that generate warm feelings of community among brand users (Atkin 2004; Cova and Cova; Fournier 1998; Muniz and Schau 2005). For a practicing marketer brand relationship is encompassed through market differentiation and building sustainable competitive advantage (Atkin 2004; Gobe

2001; Lindstrom 2005; Roberts 2004). Thus, the strategic objective of emotional branding is to forge strong and meaningful affective bonds with consumers and, in so doing, become part of their life stories, memories, and an important link in their social networks (Atkin 2004). Over the past few years, many well-known brands have adopted emotional-branding strategies, including Tide, Lexus, Apple, Nike, IBM, Cheerios, McDonald's, and Starbucks (Atkin 2004; Gobe 2001; Roberts 2004).

Research Gap

A host of studies has been done on Emotional Branding, however, there is a dearth of studies, in the Indian context, connecting Emotional branding through advertisements and its specific effect on customer loyalty, brand image or purchase intent. This study tries to bridge the gap. There is a lacuna in the area of research literature on emotional branding of Indian companies and its impact. This study focuses on Titan, which is an Indian company with a very deep rooted Indian ethos. Titan ads are pioneer ads in the Indian ad scene which has effectively used the aspects of Emotional Branding to attract and lure the customers. Hence a study in this aspect and area is interesting as it focuses on the Indian consumers and their interpretation, understanding and response to the emotional ads of Titan. Watches are an important accessory and the most common accessory used by both men and women and Titan has a whole range of watches for both. Further Titan is also a company that has watched across its different income segments. Watches further become interesting as it is an accessory that is highly patronized by the young people. Even with the advent of the cell phones as a medium to know the time, young people sport watch for various reasons other than only its functional importance.

Every third person in an Indian city today is a youth. In about seven years, the median individual in India will be 29 years, very likely a city-dweller, making it the youngest country in the world. Keeping in mind the tremendous consumption power of this rising formidable demographic segment this study focuses on the youth between 20 -30 years of age residing in an urban area

About the Company

Titan Co. Ltd. (formerly Titan Watches Ltd. And Titan Watches Ltd) is an Indian Designer watch company and manufacturer of jewelry, precision engineering components and other accessories including sunglasses, wallets, bags, belts, fragrances and helmets. It is a joint venture between the Tata Group and the Tamil Nadu Industrial Development Corporation. Titan is the world's fifth largest wrist watch manufacturer and exports watches to nearly 32 countries around the world. Some of the well known brands of Titan include Fast Track, Sonata, Raga, Edge, Octane, Xylys, Nebula, Zoop, Titan Eye+, Tanishq, Gold plus, Zoya and Skin.

Purpose and Need of the Study

Titan ads are pioneer ads in the Indian ad scene which has effectively used the aspects of Emotional Branding to attract and lure the customers. A study in this area is interesting as it focuses on the Indian consumers and their interpretation, understanding and response to the emotional ads. Watches are an important accessory and the most common accessory used by both men and women and Titan has a whole range of watches for both. Further Titan is also a company that has watched across its different income segments. Watches further become interesting as it is an accessory that is highly patronized by the young people.

OBJECTIVES OF THE STUDY

- To study the impact of Affect, Sensory elements, Theme, and Occasions depicted in the advertisements (Variables comprising Emotional Branding) on brand loyalty.
- To study the impact of Affect, Sensory elements, Theme, and Occasions depicted in the advertisements (Variables comprising Emotional Branding) on purchase decision
- To study the impact of Affect, Sensory elements, Theme, and Occasions depicted in the advertisements (Variables comprising Emotional Branding) on brand recall.

Hypothesis

H₀₁: Affect content, Sensory elements, Theme, and Occasions depicted in the advertisements (Variables comprising Emotional Branding) have no impact on brand loyalty

H₁₁: Affect content, Sensory elements, Theme, and Occasions depicted in the advertisements (Variables comprising Emotional Branding) have an impact on brand loyalty.

H₀₂: Affect content, Sensory elements, Theme, and Occasions depicted in the advertisements (Variables comprising Emotional Branding) have no impact on purchase decisions

H₁₂: Affect content, Sensory elements, Theme, and Occasions depicted in the advertisements (Variables comprising Emotional Branding) have an impact on purchase decisions.

H₀₃: Affect content, Sensory elements, Theme, and Occasions depicted in the advertisements (Variables comprising Emotional Branding) have no impact on brand recall

H₁₃: Affect content, Sensory elements, Theme, and Occasions depicted in the advertisements (Variables comprising Emotional Branding) have an impact on brand recall

Limitations of the Study

One of the major limitations of this study was that it used only a few of the emotional ads of Titan. Future studies can focus on advertisements from different Indian industries and sectors to reach a conclusion.

RESEARCH METHODOLOGY

Sampling Plan

The sample size of 128 has been drawn from postgraduate students (population) between the age group of 22- 30 years in educational hub i.e. Institutional area of Kharghar, Navi Mumbai.

Sampling Techniques

It will be in two stages sampling non probability convenient sampling 1st stage (selecting an ITM college from all the other colleges in the Institutional area of Kharghar, Navi Mumbai). 2nd stage (probability) i.e. cluster sampling by selecting any two classes for the 10 MBA classes. Sample size is 128.

Data Collection Plan

Primary and secondary data sources have been used. Secondary data have been collected from books, journals,

newspaper and company sources and records.

Tools of Data Collection

Focus group discussion

Interviews and focus group discussions were conducted as part of a qualitative study in order to create the questionnaire and also to select the appropriate advertisement for the study. The focus group discussion with 8 youth 3 females and 5 males revealed that they considered three of the Titan ads to be emotional ads. The Focus Group Discussion revolved around the most common accessory used by both male and female youngsters. The discussion revealed that watches, especially the Titan brand was one that was common among both the gender. One of the major attractions of this brand was the continuous advertisements that were used to promote the brand. Three advertisements were considered to be very attractive to the youngsters. The discussion revealed that they found the music to be very exciting, the story line was something that they could relate to and each ad were specific to some life events which emphasized on the importance of relationships.

The focus group discussion was for an hour in which the researcher was the moderator and was an important means by which the advertisements were selected and the Questionnaire developed

Questionnaire

For quantitative data collection a questionnaire was used. There were 22 items in the questionnaire There were 20 statements in the 5 point Likert scale were to measure Emotional Branding and Brand loyalty, purchase decision and brand recall) and two items relating to age and Income in the nominal and ordinal scale respectively

Emotional branding (affect, sensory elements, theme, occasion) is the independent variable. Brand loyalty, brand recall, Purchase decision is the dependent variable.

Reliability of Scale

The cronbach's alpha is. 927 for the thirteen items of Emotional branding and. 955 for the entire 20 items in the questionnaire

Advertisements Used

The respondents were shown the 3 Titan ads: Titan watches emotional advertisement on farewell, Celestial Times advertisement Fahad Nithya Menon advertisement

DATA ANALYSIS AND INTERPRETATION

Multiple Regression between Affect, Sensory, Theme, and Occasions (Variables Comprising Emotional Branding) and Loyalty

H₀₁: Affect content, Sensory elements, Theme, and Occasions depicted in the advertisements have no impact on Brand Loyalty

H₁₁: Affect content, Sensory elements, Theme, and Occasions depicted in the advertisements have an impact on Brand Loyalty.

Table 1: Model Summary of Multiple Regression between Affect, Sensory, Theme, and Occasions (Variables Comprising Emotional Branding) and Loyalty

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.849 ^a	.721	.712	.495

Table 2: Anova of Multiple Regression between Affect, Sensory, Theme, and Occasions (Variables Comprising Emotional Branding) and Loyalty

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	77.912	4	19.478	79.625	.000 ^a
Residual	30.088	123	.245		
Total	108.000	127			

a. Predictors: (Constant), theme1, occasion, sensory1, Affect1/ b. Dependent Variable: 15ad induces loyalty

Table 3: Coefficients (Multiple Regression Analysis)

Model		Un Standardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.141	.252		-.559	.577
	occasion	.177	.070	.173	2.514	.013
	Affect1	.229	.105	.202	2.185	.031
	sensory1	.340	.098	.311	3.482	.001
	theme1	.293	.075	.276	3.923	.000

a. Dependent Variable: 15ad induces loyalty

The Model summary in Table 1 shows the R value to be .849 and the R² value to be .721. This proves that in 72.1 % of the cases the variance in brand loyalty can be explained by the effect, sensory, theme, and occasion depicted in the advertisement. The Anova Table 2 shows that the value of R² is significant as indicated by the p value of the F statistic which is .000 (less than .05)

Based on Table 3 The relations could be mathematically written as

$$\text{Loyalty} = -.141 + .177\text{occasion} + .229\text{affect} + .340\text{sensory} + .293\text{theme}$$

Since occasion, affect, sensory, theme all is positive values they all affect loyalty positively. The standardized coefficient (table 3) for the independent variable 'sensory' is the highest (beta=.340, p=.001) and it can be said to have the strongest influence on loyalty. The next strongest influence is theme (.293) and finally affect (beta=.229). The less important one is the occasion that the advertisement depicts.

Inference: Accept the Alternate Hypothesis that occasion, affect, sensory, thematic content of the ads has an impact on the loyalty of the consumers.

Multiple Regression between Affect, Sensory, Theme, and Occasions (Variables comprising Emotional Branding) and Purchase Decisions

H₀₂: Affect content, Sensory elements, Theme, and Occasions depicted in the advertisements have no impact on purchase decisions

H₁₂: Affect content, Sensory elements, Theme, and Occasions depicted in the advertisements have an impact on purchase decisions.

Table 4: Model Summary of Multiple Regression between Affect, Sensory, Theme, Occasions and Purchase decisions

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.819 ^a	.671	.661	.523

a. Predictors: (Constant), theme1, occasion, sensory1, Affect1

Table 5: Anova for Multiple Regression between Affect, Sensory, Theme, Occasions and Purchase Decisions

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	68.797	4	17.199	62.785	.000 ^a
	Residual	33.695	123	.274		
	Total	102.492	127			

a. Predictors: (Constant), theme1, occasion, sensory1, Affect1/ b. Dependent Variable: 17purchase decision

Table 6: Coefficients for Multiple Regression between Affect, Sensory, Theme, Occasions and Purchase Decisions

Model		Un Standardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.260	.267		.976	.331
	occasion	.173	.074	.175	2.332	.021
	Affect1	.656	.111	.594	5.924	.000
	sensory1	.127	.103	.119	1.228	.222
	theme1	-.015	.079	-.014	-.189	.850

a. Dependent Variable: 17purchase decision

The Model summary in Table 4 show the R value to be. 819 and the R² value to be. 671. This proves that in 67.1 % of the cases the variance in purchase decisions can be explained by the effect, sensory, theme, and occasion depicted in the advertisement. The Anova Table 5 shows that the value of R² is significant as indicated by the p value of the F statistic which is. 000 (less than. 05). The relations could be mathematically written as

$$\text{Purchase decisions} = .260 + .173\text{occasion} + .656\text{affect}$$

Sensory and theme are not statistically relevant as the p values are more than. 05. So we do not use it in the regression for predictions. (Table 6) Since occasion, affect, generated by ads are positive values they all affect purchase decisions positively. They are also statistically significant (Table 6). The standardized coefficient for the independent variable 'affect' is the highest (beta=. 656, p=. 000) and it can be said to have the strongest influence on purchase decisions. The next strongest influence is an occasion that is depicted in the advertisement (beta=. 173) to affect purchase decisions.

Inference: Accept the Alternate Hypothesis that occasion, affect, in the ads have a positive impact on the purchase decisions of the consumers. The theme of the advertisements and the sensory content does not play a very major role in the purchase decision

Multiple Regression between Affect, Sensory, Theme, and Occasions (Variables Comprising Emotional Branding) and Brand Recall

H₀₃: Affect content, Sensory elements, Theme, and Occasions depicted in the advertisements have no impact on brand recall

H₁₃: Affect content, Sensory elements, Theme, and Occasions depicted in the advertisements have an impact on brand recall

Table 7: Model Summary of Multiple Regressions between Affect, Sensory Theme, Occasions and Brand Recall

Model	R	R square	Adjusted r square	Std. Error of the estimate
1	.861 ^a	.741	.733	.473
a. Predictors: (Constant), theme1, occasion, sensory1, Affect1				

Table 8: Anova for Multiple Regressions between Affect, Sensory, Theme, Occasions and Brand Recall

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	78.885	4	19.721	88.067	.000 ^a
Residual	27.544	123	.224		
Total	106.430	127			
a. Predictors: (Constant), theme1, occasion, sensory, Affect/ b. Dependent Variable: brand recall					

Table 9: Coefficients of Multiple Regressions between Affect, Sensory, Theme, Occasions and Brand Recall

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.106	.241		-.439	.661
	occasion	.054	.067	.053	.799	.426
	Affect1	.599	.100	.533	5.982	.000
	sensory1	.230	.093	.213	2.468	.015
	theme1	.144	.071	.137	2.013	.046
a. Dependent Variable: 20brandrecall						

The Model summary in Table 7 show the R value to be. 861 and the R² value to be. 741. This proves that in 74.1 % of the cases the variance in brand recall can be explained by the effect, sensory, theme, and occasion depicted in the advertisement.

The Anova Table 8 shows that the value of R² is significant as indicated by the p value of the F statistic which is. 000 (less than. 05)

The relations could be mathematically written as

$$\text{Brand Recall} = -.106 + .599\text{affect} + .230\text{sensory} + .144\text{theme}$$

Table 9 proves that occasion depicted in the advertisements are not statistically significant as the p values is. 426 i.e. more than. 05 we conclude that occasions depicted in the advertisements does not play any role in brand recall. Since affect, sensory, and theme all is positive values they all affect positively the brand recall that the advertisements have. The standardized coefficient for the independent variable 'affect' is the highest (beta=. 599, p=. 000) and it can be said to have the strongest influence on brand recall. The next strongest influence is sensory (beta=. 230, p=. 015). (Table 9). The last

variable that plays a role in Brand recall is the theme of the advertisements.

Inference: Accept the Alternate Hypothesis that effect, sensory content and theme of the ads have an impact on brand recall by the consumers. The occasions are statistically insignificant. However the affective element in the advertisement plays the most important role in brand recall.

OBSERVATIONS AND SUGGESTIONS

The focus of this study is on understanding the importance of communicating experiential value to the consumer of the company through its brands so that the product is elevated from generic to higher levels. The distinction and the value generated by the product features do reach a saturation point. However, if the marketer could unleash the field of consumer experience associated with the product it would enhance the potential for value addition manifold.

The major observations and suggestions based on the study area

Emotional Branding can add value to the consumer experience with the brand through the intangible benefits that would accrue. Hence advertisements should focus on adding elements of Emotional appeal. Advertisements that are rich in emotional branding have a lasting positive impact on the consumers. The positivity in the ads helps the consumer to want to associate himself or herself with the brand. Hence advertisements should be rich in positive content so that consumers have a feeling of hope and optimism associated with the brand. Titan ads were targeted at the Indian urban youth in the Tier 1 and two cities, and as an aspiration brand for all youth from rural areas. Hence the protagonists of the ads are all young men and women and the settings are the life experiences that they would face. The Joy of gifting – Farewell advertisement is a classroom setting, the second advertisement on celestial time is one in which a young successful entrepreneur comes to hire his previous boss and mentor for his startup company and the third advertisement -of Fahad and Nithya Menon -has a marriage proposal setting in a bucolic setting.

The focus group discussions and the quantitative study conducted revealed that Indian youth subconsciously identified with and admired Indian cultural values. That is why ‘The joy of gifting –Farewell’ Advertisement and the ‘Titan celestial Time ads’ were considered to be so high on Emotional Branding. Both the ads stress on the love and respect given to elders and teacher’s or mentors. This forms an integral part of the Indian culture ethos. The advertisement very intelligently merges and portrays the Indian Culture in a very positive hopeful way. Another important element in the ads was the storytelling nature of the ads which made it appealing to the youth. All the ads tell a story and all the three stories are poignant, positive, reflecting a lot of love and affection between the various players. The ads are short, mostly between 1 to 2 minutes. The short duration of these advertisements infuses in them energy and resonates with the youthful nature where everything has to happen quick and Fast. Another interesting feature of this advertisement is the music that runs as a common thread though all the Titan ads. The music is fresh in its melody and is a brand identification means for Titan.

All the advertisements are able to hold the interest of the viewers because of the element of surprise and the twist in the tale that happens eventually. Very creatively conceived one is left gasping with surprise and happiness at the end. There is a strong positive correlation between Emotional Branding and loyalty, purchase decision and brand recall. Ultimately, marketing is the art of attracting and keeping or retaining customers. Delivering high customer value right from the first touch point of interaction to total customer satisfaction forms the key milestone of any marketing activity. Customer retention is only possible if customers remain loyal. Emotional Branding in advertisements increases customer loyalty as the ‘Customer Perceived Value’ increases. Also, because of the increase in the perceived value the brand image,

brand appeal and brand recall too increases. Ultimately the end activity of the consumer is the purchase of the product. Since there is a strong correlation we can safely conclude that Emotional Branding increases the chances of purchase by the consumer.

10. Hypothesis No: 1,2,3 gives an understanding of the relevance of each of the four sub variables (affect, sensory, theme, occasion) of Emotional Branding to the dependent variables of loyalty, recall and finally purchase decision. *Loyalty* is affected by all the four affect, sensory, theme and occasion. However, sensory elements in the advertisement have the strongest effect followed by the effect or emotional content and lastly by the theme and occasion. Hence advertisements should focus on all the four elements if it has to retain customers and maintain brand loyalty. There should be a lot of focus on the sensory elements like background music, element of surprise and amazement and an experience that is easily relatable by the target audience. *Brand Recall* determines the extent to which a particular brand occupies the mind space of its consumers. All the three sub variables, i.e. affect, sensory and theme contributes to brand recall. Again, something that is emotionally stimulating or a stimulus that surprises or appeals will be recalled as it leaves a lasting impression. *The purchase decision* is a very complex process. Emotional Branding affects purchase decisions. The sub variables of Emotional Branding occasion and affect play the major role. The occasion is important in purchase decisions as occasions depicted in the advertisements through classical conditioning make the consumer associate the brand with particular events festivals and occasions. This then later on plays a major role in purchase decisions.

CONCLUSIONS

With liberalization and 100% FDI the Indian markets have opened up like never before and the market place has become an extremely cluttered place. The need of the hour is for companies to create their own space in the cluttered arena. Competition is rife and how companies and brands differentiate themselves from the others will become the hallmark for their survival and growth. Advertisements have been the age old practice of communicating the value that a consumer would get. The value proposition that a company promises to deliver is more than the core positioning of the offering. It comprises of all the tangible and intangible benefits that the consumer will get when he ultimately interacts with the product or brand.

The tangible functional benefits which a consumer gets is a basic factor that all companies have to anyway deliver, but the challenge is to retain the customer base, reducing defection building loyalty. So along with the tangible benefits, the intangible benefits too have to be perceived by the consumers. The revised definition of 'A brand' by American Management Association is proof of that. The AMA's revised definition is 'A Brand is a customer experience represented by a collection of images and ideas: often it refers to a symbol such as a name, logo, slogan and design scheme. Brand recognition and other reactions are created by the accumulation of experiences with the specific product or service, both directly relating to its use, and through the influence of advertising, design and media commentary.' Thus the updated definition stresses upon the theme of consumer experience. Consumer experience can be easily achieved through emotional branding as Classical Conditioning occurs and the consumer responds in a positive manner to the brand, product or service.

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